



Longbranch Research Associates *presents:*

# So-Called Experts

*a book always in progress & free*

by Stephan Michelson

## Chapter 11

### What You Call It

*As of November 13, 2016*

Wendy's announces that the size of fried potatoes it used to call "Biggie" will henceforth be called "Medium." In Starbucks, it is often noted the smallest cup of coffee is called "tall," requiring inventiveness in naming larger sizes. For this kind of money, we can't have you thinking you got a "regular" cup of coffee. Or, at any rate, we can't have you *saying* "regular," whatever you think. McDonalds found that its "Happy Meal" did not make customers happy enough. They think substituting apple slices for some of the potatoes will. Perhaps they mean "Better For You Meal." "Happy," however, is well tested to improve sales, whereas, before Chipotle and Shake Shack, actually being healthy would not.

Thinking up names for things, to disguise what they really are, is an old tradition, in public as well as private ventures. Jeffery Walker attacked his neighbor with a machete (because the neighbor's dog had defecated on Walker's lawn).

Walker's lawyer attempts to downplay her client's use of a machete, claiming that it is merely a "garden implement."<sup>1</sup>

The profit rate that vendors could add to government contracts was increased in the Nixon administration. What was it called? A "job development credit." Remember when Esso (which was "S. O." from Standard Oil) became Exxon? A little more distant from something no one remembers—but is it different? Doesn't it still treat its executives very well and its stockholders poorly?

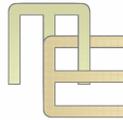
There are "experts" who are paid to provide answers, and executives who are paid to find these experts. The "swoosh" says a lot for Nike executives, who were

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1. *United States v. Walker*, No. 14-6490, Sixth Cir. 2016, slip opinion at 3.

looking for something to set themselves apart, and found something better than a slogan. For \$35.

I needed to have a company before I could start a mill. Having no creative idea what to name it, I used my own name. But what would that name look like? I needed a logo, and came up with this:



Would a professional have done better? I do not know and, as no one knows the company as “Michelson Enterprises, Inc.,” it no longer matters. This became my logo, assisted by some graphics programs any computer user has at hand. A Swoosh it isn’t, but then neither is the company a Nike.

There are, then, two issues here. What you call it (tall or short, big or medium) and what it is. Starbucks’ coffee is tasty, as well as highly caffeinated. Jolt Cola, step aside. All credit is due to the conceptions by which that company was formed and grew. Was this naming of sizes an integral part of how management thought, or was it an executive whim, a quick decision that seemed obvious at the time—the time being breaking the bounds of ordinary coffee prices? More attention was no doubt paid to the logo, a lady with wavy hair, a crown and what are they, fish she is holding? How many cups of coffee have been purchased because someone remembered, and really *really* liked, that logo? Indeed, what in the world does that logo have to do with coffee? Obviously, for some products, the logo does not matter at all.



This chapter is about two things, and the confusion between them. The first, as above, is what you call something. Its name. The second is not what that thing is, but what people think it is. The second subject is branding. Branding is not giving something a name, it is giving value to its name. When one company purchases another for a price higher than the value of its tangible assets, the difference is called “good will,” and is often depreciated over time. In addition to “going concern value,” the fact that there are employees who know what to do when they arrive at work, good will is the value of the brand over and above the value of the “things” that the purchaser now owns. It reflects the extra price consumers will pay for a branded item, which generates the extra price to purchase the company.

There are so-called experts at naming companies and products, although I do not know why. What “expert” proposed the name Nova for a car, when “no va” means “it won’t go” in Spanish? We can perhaps see the need for an expert here, or at least a random sampling of public reactions, but my position is that much too much is made of the name a company or product has. If “Ruth’s Chris Steak House” is not a compelling name, neither does it seem to have hurt the company. Chipotle Mexican Grill was told, by supposed experts, that it could not thrive with that name. It has.

Branding is the act of making that name valuable. There may be branding experts, but they are hard to find. Brands become known if Oprah, Martha, Ellen, Shaq, or anyone else who needs only one name praises them in public. All it takes to get that endorsement is money. Presumably expertise comes in at deciding which one-name person should be attached to which company. Without consulting an expert, we have concluded that Diane Keaton should be the famous person associated with The Oriole Mill. Lacking the other half of the formula, however, we have not approached her. We’ll start with naming, and then get to branding.

### How Names Evolve

John Colapinto managed to write a several-page *New Yorker* article about the process of naming brands, telling us that it is an ancient craft, without committing to whether the particular brand name one chooses is important. He quotes those who think it is, and those who think it isn’t.<sup>2</sup> That we insist on naming things (our car, our pets, our businesses) is a charming human function, but the thought that it makes any difference *what* we name them is not charming. Lassie came home even though, in most incarnations, she was a male dog. I suspect that there is no such thing as expertise in naming, even though there certainly are so-called experts in the field.

Neal Gabler takes more print space than anyone should in describing the work of Anthony Shore, whose sole occupation is this naming of products.<sup>3</sup> The product was named “Jaunt,” but Shore does point out to his clients that the real value of that name will come from the product, not the name itself. Yes, so why was naming it such an agonizing affair, and why did no one come up with something better?

As a kid I listened regularly on radio to The Lone Ranger, a different figure entirely (at least he had a different voice) from the later television Lone Ranger. A

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2. John Colapinto, “Famous Names,” *The New Yorker*, October 3, 2011 at 38.

3. Neal Gabler, “The Weird Science of Naming New Products,” *New York Times Magazine*, January 18, 2015.

breakfast cereal sponsored the program: Cheerioats. That's right, oats. And even though it has to have been over 65 years ago, I remember the evening the announcer broke the news to us listener kids: We're changing the name. Not the good stuff inside the box, mind you, but the name on the outside. And so Cheerios was born.

The difference is revealing, and altogether typical. The first name was devised by the producer, which named it after its major food component. The compelling feature, to the company, was that it was made from oats. To the consumer, the difference was its shape. That aspect ultimately took over its name.

It is a generalizable rule. Names evolve from the producer's view to the consumer's view. A producer thinks about how a product is made. A consumer thinks about how a product is used, what it does, and/or what it looks like. A simple example of that is the flat screen TV. There are at least two kinds, LCD and plasma, and eventually a consumer might care about the difference. But he starts out wanting a flat screen TV, because that is what it is to him, however it works.

Originally, the screen part was in the same box as the rest of the television. The monitor that was separate from its controller was the computer monitor. Even Apple at first produced a separate computer from monitor, but put them together in the Lisa and then the Macintosh. IBM-type personal computers have always separated the computer from the monitor, which was called the "CRT," for cathode ray tube. It was put out into the public bearing the name of the technology by which it worked, just as AM (amplitude modulation) and FM (frequency modulation) radio are distinguished. Today AM is almost all "talk radio," so I expect the technical name to slip away. Future generations will think we deliberately invented a low fidelity radio to transmit the speaking voice.

When computers were mainframes, costing hundreds of thousands of dollars and used only by professionals, the CRT word stood. As personal computers started being purchased by the public, in the 1980s, a new designation was coined: VDT, for video display terminal. That's what it is to the user. "Monitor" seems to have taken over, or "screen." Simple, dealing with function, not how that function is achieved.

What we call a micro-processor or, not caring what its size is, a processor, was originally called an integrated circuit. Prior to its invention, transistors, capacitors, resistors were separate items, soldered on a board, joined by lines of solder pre-printed to the board, and sometimes by wires strung from one point to another. To the inventors, the point was that they could integrate all these functions on to one chip. To the user, the point was what that chip did. Note that "cell phones" are

evolving into “mobile” phones, or “mobiles.” Do we care that they require towers, that the connection is passed from one to another? No. We care that a number now belongs to a person, wherever he is, where it used to belong to a place, whoever was there. The phone’s mobility is what counts, as the evolution of its language informs us.

Ultimately I named my weaving operation The Oriole Mill because it sits on Oriole Drive, and is a weaving mill. That name comes closer to communicating what it is to the user than Michelson Enterprises. Many people add an “s” automatically, Oriole Mills, as if “General Mills” defined the usage forever. We are one mill, *The Oriole Mill*. If people want to think that the city named the street after us, that is fine. It could have happened that way, but it didn’t. (Ray Avenue becomes Oriole Drive on the other side of the railroad tracks. Ray avenue was named after Ray’s Flower shop long before we got there. The city developed the land across the tracks, naming all new streets after birds.)

The “rubber band” has become the “elastic band,” because it is the elastic property, not the material out of which it is made, that impresses the user. Never mind that it isn’t made of rubber any more. The point is that names start out being devised by producers, based on how the product is are made. Then they are changed by consumers, stressing their function. Thus “Hydramatic,” “Dynaflow,” and “Fluid Drive” all became “automatic transmission.” It shifts itself. The fact that it does so by fluids is of no concern to the driver.

Naming experts know all of this—or should—and one thing more. If you just call something by what it does, branding (and the profits that come from branding) might be difficult. Minnesota Mining & Manufacturing (3M) did a good job with Post-It Notes, the name saying what you use them for. Kimberly-Clark would like us to understand that Kleenex is a brand name, where the generic item name is “facial tissues.” Not all laminate is “Formica,” a brand name. In an earlier chapter I discussed Corian which, despite their efforts, is used as a general name for a composite counter top. I do not remember the name of the inferior imitator I once purchased. People who see it call it “Corian.”

New products these days take new names without intuitive meaning. The meaning later attaches to the product which is why, although imitators scrupulously avoid the original brand, the public makes the brand name generic. It is also proof that the particular name makes no difference. Linoleum, Corian, Kleenex, Scotch tape all denote a family of products to the consumer, no matter how hard the manufacturer tries to distinguish its brand. And if each of these products had

adopted a different name from the start, we would now know the category by that other name.

Corporate executives, who will devise a name and then attach meaning to it, must believe in something.

Over time, corporate naming has developed certain conventions: alliteration and vowel repetition are good. “X” and “z” are held to be memorable and redolent of speed and fluidity. The letter “x” occurs sixteen times as often in drug names as in other English words; “z” occurs eighteen times as often.<sup>4</sup>

These relationships exist, but whether they assist in product sales is doubtful. Neither Viagra nor Cialis contains either an x or a z. Would they have done better with different names? Despite the resources and legal apparatus behind corporate name identity, the public goes its own way. It renames things that are too identified with how they are made to what they do; and the public adopts names that were meant to be brands, making them generic. Coca Cola is a brand name, but coca is a drug, and cola is a nut. Except now “cola” denotes a type of drink, because Pepsi Cola and Royal Crown Cola had to tell the world that they were competing with Coca Cola, which quickly became “Coke” to try to destroy the connection these other brands were trying to establish.

## Branding

The names of the Apple employees who actually made the first Macintosh computers are engraved into the inside of the cases. That doesn’t happen now, because Apple hardly makes anything any more. Manufacturing a product is the lowest profit area in the long chain from design to raw materials to a product you purchase. The highest profit goes to the brand holder. Chinese manufacturers purchase American companies in order to sell their products under a familiar brand name. Canon towels? Not made in the United States any more. Apparently what you call it matters quite a lot, once its name is known.

Having established that Michelson Enterprises, Inc. will weave under the name The Oriole Mill, I embarked on the branding trail. I guarantee you—I do not want to fall into advertising here—Oriole Mill products are different. They are made from high quality natural fibers, and have a fine “hand” (textiles are to be touched). Most are reversible and washable. Those characteristics, plus each item’s design (the weave construction



4. James Surowiecki, “What’s In A Name,” *The New Yorker*, November 14, 2016 at 35.

plus the yarns, patterns and colors) are unique and, I think, superior. But can I get paid for that uniqueness and superiority? Only if the customer believes it. A brand has value according to consumer knowledge and taste, not according to the innate characteristics of its products. Thus the job of a brand is to indoctrinate or, as the company would say it, educate consumers.

That what counts is the public's belief, not the facts, is surely well-known and taught in business schools. Gone are the days when managers thought they could do well by doing good—that honesty and quality were the pathways to success. They are taught to market, to distinguish themselves, to establish a brand. Needing a brand, a company needs expertise in branding. Yet, apparently, not all major companies have that expertise. Consider this:

Microsoft acquired Razorfish in 2007 when it bought aQuantive, a digital marketing services company, for about US \$6 billion then sold it a few years later for \$530 million.

Simply put, Razorfish isn't a good fit with Microsoft's brand strategy.<sup>5</sup>

Microsoft has been such a badly managed company—remember the Vista operating system? the Zune?—this story is not much of a surprise. They did not consider what they were paying for, and whether it was worth what they were paying for it, to them.

“Razorfish” connotes nothing to me. I am sure Microsoft made a bad initial decision, and then got out of the deal, but was conflicting brands the problem? Is this writer really an expert on this subject? Surely he could have come up with a better example.

Seth Godin writes:

Jewelry Central is a really bad brand name. So are Party Land, Computer World, Modem Village, House of Socks and Toupee Town.<sup>6</sup>

True, “Jewelry Central” does not connote an aura of quality, but it tells you exactly what it is, as do Party Land, Computer World, House of Socks and Toupee Town. To Godin, Radio Shack would have been an unacceptable name, although the firm did very well until technology seemed to get away from it. We still have radios, and if it were alive we would still go to Radio Shack for batteries, telephones, and other simple electric devices.

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5. <http://www.designdamage.com/the-12-principles-of-brand-strategy/>.

6. [http://sethgodin.typepad.com/seths\\_blog/2008/03/a-dumb-branding.html](http://sethgodin.typepad.com/seths_blog/2008/03/a-dumb-branding.html)

“House of Socks” and “Toupee Town” describe exactly what they are, much better than, say, Sam’s Club or Applebee’s or T.J.Maxx. Godin is right about “Modern Village,” but all it needs is one descriptive word, like “Modern Furniture Village.” “Hot Dog World” may not be an original name, but it is informative, and effective, judging from the crowds at the one in Hendersonville. A name that indicates what happens there is sufficient. Horn & Hardart developed a novel way for one to purchase food. Its name did not convey that information, so its signs said “Horn & Hardart Automat Cafeteria.” Not surprisingly, it became known as “The Automat.” As I said, names become identified with consumer use.

“Kleenex” only connotes facial tissue, as “Crest” connotes tooth paste, because we have learned these associations. A company’s brand manager has to associate the company’s product with its name. As with Cheerioats becoming Cheerios, it is better if the name reflects the consumer’s view. On the other hand, it is not fatal if it does not. There is nothing informative about the word Exxon. The association came later. A lot of so-called experts were paid a lot of money to propose the change from Esso to Exxon. I’m not saying the so-called expert business is never profitable. I am saying that it is stupid for a new business to spend resources determining its name. The resources should be spent branding the name.

When you invent something, give it any name that is available. If your name has meaning, particularly describing how it is made, or how it works, consumers might want to change it to a name indicating what function it performs for them. If it has no meaning, it may take on the meaning you give it, and that will be called successful branding.

The brand manager must make himself worth while to the corporation. He does that by generating brand loyalty. His tools are advertising, or social networking. The revenue stream has to justify not only his salary, but his budget. And now products cost more because advertising is not providing information, but psychological massaging.

[B]randing is not about getting your target market to choose you over the competition, but it is about getting your prospects to see you as the only one that provides a solution to their problem.<sup>7</sup>

So writes Laura Lake, distinguishing branding from the larger concept of marketing. You have to find prospects, learn what they are looking for, convince them that you have it, and then charge them the cost it took to do all that. An economist would say

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7. <http://marketing.about.com/cs/brandmktg/a/whatisbranding.htm>

that branding is the same as developing a monopoly. You can get donuts in a lot of places, even the grocery store. But if you want fresh-made Dunkin Donuts you have to go to Dunkin to get them. When comparing similar products, often there is no noticeable difference among brands. The purpose of branding is to get you to believe that there is.

Meanwhile Ikea developed the concept of furniture in a box, produced excellent quality goods with crisp, clean designs, and let word of mouth do the rest. Larabar followed that principle, using social media to spread the word, rather than expensive “branding” campaigns. You will find Larabar in Whole Foods and Earth Fare. Being in the right place, plus word of mouth (i.e., actual quality in the product) has made it a brand name. Still, if you were hiking the Appalachian Trail, say, and came upon a shack selling such things, would you leave empty handed if they had only some other brand of meal-bar? There are different degrees of brand loyalty. The one that counts is what you do when you have a choice, but do not have the time to investigate all the properties of all the choices offered you.

Branding is powerful because we cannot try every kind of every item. We have to pre-select, limit our choices, before we purchase. We have to learn who makes products at the quality level we want. The ultimate answer is that no one does.<sup>8</sup> The ultimate reason is the proportion of expenses in a product that reflects marketing, not developing and making the product.

### **Double-Branding**

The advertisement in *Architectural Digest* (October, 2011) reads

**Martyn Lawrence Bullard**  
**Exclusively for**  
**Schumacher**

That was an advertisement by Schumacher. It complemented the one page article “Martyn Lawrence Bullard’s fabrics for Schumacher pump up tried-and-true patterns,” which came complete with a picture of Bullard along side his patterns. One might ask who’s brand is being touted here, Bullard’s or Schumacher’s? The answer is: Both.

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8. See, for example, Matthew DePaula, “Highest Quality Cars of 2011,” *Forbes* (on line), July 11, 2011. J.D. Power studied new cars. Even the best of them, the Lexus LS, had 54 problems per 100 cars. Can we really not do better than that? From the consumer’s view, more money should be spent *being* a good car producer than trying to convince us that you are. Apparently advertising makes up for quality defects.

It may have started with Martha Stewart for K-Mart. Clearly Martha's caché had been engaged (that is, hired, paid for, bought) to enhance K-Mart's. It didn't work. They were too far apart. If anything, it cheapened Martha. She got out of the deal.

But it was a good idea, if not good execution. Target soon followed with Missoni bedding and women's wear. Merona was a sort of in-house brand, but "Missoni For Target" is a double brand. Hey, that Missoni is a killer designer and, oh yes, if you want Missoni, you can get it at Target.

The double brand may join two companies, but often adds a human to an institution: Lanvin and Jason Wu are at Bergdorf Goodman, Stella McCartney is at Neiman Marcus, Nanette Lepore and Missoni and Stella McCartney are all at Saks Fifth Avenue, along with (of course) Diane Von Furstenberg. On the other hand, if you are looking for Nanette Lepore, you can find her designs also at Bloomingdale's. At each store you can find several designers, and you can find an individual designer at several stores. Both are brands, yelling (in advertisements) both "buy this" and "buy here." The second brand helps the retailer have a broader appeal, and the second outlet helps the designer reach more shoppers. Crate and Barrel for a time noted that the fabric on its Jeremiah Rocker was made by The Oriole Mill. Neiman Marcus once told the world that it sells Oriole Mill products, although it sold very few. We are, without question, in an era of double branding, two tugs to get the customer to buy this, here, now.

The "experts" will turn out to be the store executives who choose the designers that really do click with the shoppers. In Chapters 1 and 2 I tried to show that "success" in sales may have little relationship to success in design, by other criteria. I do not know the basis on which shoppers purchase bedding, or home decor, or women's apparel, but I suspect that brand name is one such basis. The task, then, is to generate an aura around the brand. I do not doubt that some people are better than others at this. Neither do I doubt that success is 99 percent aura, 1 percent deservedness.

OK, that is harsh. Surely there is a level of quality among top designers that is not found among first-year students at the Fashion Institute of Technology. I am suggesting, though, that many of these top designers are not more expert than many others who do not have their platforms, who do not have the other brand behind them.

I am suggesting a contradiction. On the one hand, a brand is a convenient short-hand for “my kind of style and quality.” If you like J. Peterman clothing, or Cabella’s army-style, it makes sense to start there. We need short-cuts. Part of defining who we are is settling on where we shop, what we wear, etc. But part of marketing is convincing you that you are this kind of person, no, THIS kind of person. It is telling us that we have an excellent sense of design, if not the skill or time to make our own things. The advertiser, the brand, has exactly what you want, what your excellent taste would have led you to make had you been able to. Our design experts understand you, and design for you.

Branding is an attempt to establish expertise in producing just the things you want. As you want things at a certain quality level (let’s say Nordstrom is higher than Target which is higher than Walmart, for example), understanding that you will pay more for higher quality merchandise, you define yourself as a shopper at one or another of these levels, and let the store select for you. But is the “higher quality” product really better? Or is it more stylish, more “designed,” more in fashion? It does not matter how you answer that. The point is that store brands establish that store as the selector of things you will like, “you” being “your kind,” whatever that is. The store brand names the club you want to join.

### **Expert At Their Jobs**

What do white house reporters do? Here is one description:

[White House] reporters climb over one another like gerbils in a crowded cage, and for what? It is rarely to examine the consequences of any given policy—“substance,” after all, is not their beat.<sup>9</sup>

David Brooks has a suitably skeptical opinion about the expertise held by government regulators, but an unsuitably skeptical view of their task:

When historians look back on this period, they will see it as another progressive era. It is not a liberal era — when government intervenes to seize wealth and power and distribute it to the have-nots. It’s not a conservative era, when the governing class concedes that the world is too complicated to be managed from the center. It’s a progressive era, based on the faith in government experts and their ability to use social science analysis to manage complex systems.

The [2010 Financial Reform] law also calls upon government experts to make some heroic judgments. For example, it calls upon regulators to break up banks that might be about to

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9. Eric Alterman, “‘Cutthroat’ Crybabies,” 291 *The Nation* 1:10, July 5, 2010.

pose a risk to the country's economy. That is to say, investors may believe a bank is stable. The executives of the bank may believe it is stable. But the regulators are called upon to exercise their superior vision and determine which banks are stable and which are not.<sup>10</sup>

I suppose Brooks thinks the federal government should not monitor coal mine safety, and tell some mines to shut down to avoid a disaster. That is his position on bank safety. Mine safety, like bank safety, is not well-regulated in this country, but that does not argue that there should be no such regulation. It argues that finding real experts, and employing them as regulators, is a difficult task, something I will discuss further in a later chapter.

The Harvard Business School professor, Michael Porter, addressed the National Governors' Conference on February 26, 2011.<sup>11</sup> He supports clusters, groups of companies which, willingly or not, support each other. This far, he is correct. If there are no other mills buying imported Egyptian yarn, then I won't be able to buy it, either. The importer will go out of business, and I cannot import in container quantities. It makes sense for the textile industry to cluster in North and South Carolina, and for several mills to use the same suppliers.

Porter's view is also dangerous because he suggested that states help those clusters that exist in industries that are currently growing larger. Under this principle, North Carolina would not care if my mill—in a declining industry—fails. More importantly, it simply is not correct. What counts is what might happen from here on, not what has happened to get us to this place. I think a new domestic textile industry will emerge. People are not going to stop buying and using textiles, and there are advantages to purchasing locally produced goods. As there are already skilled people plus ancillary industries and the like in this cluster, keeping this cluster large enough to survive would in fact be a legitimate concern of my state, even though the industry is now small and declining, and no state politician or office holder seems to care.

At the end of his talk, Porter said, and I paraphrase:

Governors tell me their goal is to create jobs. No, that should not be your goal. Your goal should be to increase competitiveness. Only if you increase competitiveness will you create jobs.

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10. David Brooks, "The Technocracy Boom," *New York Times* July 19, 2010.

11. Tim Harford refers to Porter as "the business guru," *The Logic of Life*, Little, Brown (2008) at 185.

This would not pass a high school test of logic. In any planning task, from business to military to education, there is a syllogism, a hierarchy of logic:

goal  
    strategy  
        tactic

A tactic is how you do something. Let's take that hill over there by marching up it and planting our flag. Why? Because we have a strategy of increasing our control of land. We could do that many ways, but this is the tactic we choose to employ here to effectuate that strategy and control that land.

Where did this strategy come from? We have a goal, overthrow the present government, and we think the way to do that is to put land under our control, and the way to do that, given where we are at the moment, is to march up that hill.

The governors' goal *should* be to create jobs. Increasing competitiveness is a strategy, just as providing tax incentives to large companies might be a different strategy.<sup>12</sup> I do not know exactly what "increase competitiveness" means, but in context of Porter's talk, it means that states rob each other when they try to induce wayward plants to locate there, by giving them tax breaks. Support your clusters. The plant will want to locate where it is best for them to do so, no matter how bad it is for you. Yes, the plant will act in its own best interest, but if that interest is not the state's, also, why does this strategy have merit?

In the long run, tax break subsidies make no sense. They may direct the allocation of things, but not the creation of things. The notion that we have a "free market" in which prices allocate resources only works if the prices are accurate reflections of real cost. When a state's residents support certain firms through their taxes, rather than through their purchases, the prices are perverted. A governor with principles would support local industry, local producers using local products sold to residents, if also exported to other states. Ben and Jerry sold stock in their ice cream business only to residents of Vermont. Perhaps one of them should have run for governor.

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12. For example, in order to induce Amazon.com to create a distribution center in South Carolina, the state exempted them from having to collect sales tax when shipping to South Carolina. Any other vendor of the same goods *does* have to collect that tax. The state decided—correctly or not—that it would induce more jobs than it would destroy, enough to compensate for the tax revenue lost from other in-state vendors. But increase competition? No, it did the opposite.

Is Porter some kind of expert? Perhaps, although I have never thought so. Would a business expert confuse goal with strategy? Consider a governor saying to his citizens, “Forget job creation. Our goal is to make ourselves more competitive by supporting increasing-industry clusters.” Compare that to his next election opponent: “Our goal will be to cut through this nonsense and create jobs.” Her strategies and tactics might be identical, but she should win the election, because she understands that the goal is to help her citizens. Always. Helping business is only a strategy to achieve that end, and not necessarily a good one. When we have agreed on the goal and the strategy, maybe we should leave the tactics to government officials—not the elected ones, functionaries in the administration.

Communication works best when it is stated in the terms of the receiver of information. Consumers changed the names of devices because producers were oblivious to how consumers saw them. Consumers want jobs. They would leave how to get them to the politicians, who systematically have no knack for it. The politicians hire so-called experts, business school professors as good at their jobs as I was as a professor of education.

### **Inexpert Analysis**

Thomas Friedman, long a *New York Times* columnist, achieved another level of notoriety by calling the world, in its 21<sup>st</sup> century networked form, “flat.” A peculiarly inapt description, I think, because a flat world places people far from each other. Columbus’ triumph was demonstrating that we are all close to each other. A globe is a more efficient surface than a plane. Indeed, one can communicate half-way around the world so quickly, that we can imagine a line through the planet, direct from one place to another. We consumers do not care that actually we are beaming signals to satellites and back down, or through trans-ocean high-speed cables. We care about what functions we have, not their technology. It is a fast world, not a flat world.

Friedman moved from communication to politics, abandoning “flat” as a metaphor:

We’re not only living in a world without any more spares but also in a world without distance. Nations are more tightly integrated than ever before.<sup>13</sup>

The world is not flat, it is small, he now says. Nations, becoming more economically inter-dependent, remain politically segregated. Friedman is groping toward an

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13. Thomas L. Friedman, “Bumper To Bumper,” *New York Times*, May 22, 2010.

understanding of the evolving world around him. He just has not figured out what he is looking at, or what to call it. I do not find his groping helpful. It is so, let me say, inexpert.

Mixing metaphors—or, should I say, killing them—is a Friedman specialty. Here is how one writer sees Friedman’s confusion:

The usual ratio of Friedman criticism is 2:1, i.e., two human words to make sense of each single word of Friedmanese. Friedman is such a genius of literary incompetence that even his most innocent passages invite feature-length essays. I’ll give you an example, drawn at random from *The World Is Flat*. On page 174, Friedman is describing a flight he took on Southwest Airlines from Baltimore to Hartford, Connecticut. (Friedman never forgets to name the company or the brand name; if he had written *The Metamorphosis*, Gregor Samsa would have awoken from uneasy dreams in a Sealy Posturepedic.) Here’s what he says:

I stomped off, went through security, bought a Cinnabon, and glumly sat at the back of the B line, waiting to be herded on board so that I could hunt for space in the overhead bins.

Forget the Cinnabon. Name me a herd animal that hunts. Name me one.<sup>14</sup>

One might question a world in which bad metaphors become the backbone of a salaried position at *The New York Times*. I am constantly amazed that anyone pays attention to Friedman, but many people do, and so he can legitimately be called “important.” He has successfully branded himself. However, whatever he is he saying, it is seldom intelligible and never compelling. Branding and substance are two different things.

Matt Taibbi lays it out much better than I could. Continuing from the above source, this is expert writing that you should enjoy:

Friedman is . . . the perfect symbol of our culture of emboldened stupidity. Like George Bush, he’s in the reality-making business.

. . . Things are true because you say they are. The only thing that matters is how sure you sound when you say it. In politics, this allows America to invade a castrated Iraq in self-defense. In the intellectual world, Friedman is now probing the outer limits of this trick’s potential, and it’s

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14. This quotation and the next from Matt Taibbi, “FLATHEAD: The peculiar genius of Thomas L. Friedman,” *New York Press*, April 26, 2005

absolutely perfect, a stroke of genius, that he's choosing to argue that the world is flat. The only thing that would have been better would be if he had chosen to argue that the moon was made of cheese.

And that's basically what he's doing here. The internet is speeding up business communications, and global labor markets are more fluid than ever. Therefore, the moon is made of cheese. That is the rhetorical gist of *The World Is Flat*. It's brilliant.

I am not trying to pile on Friedman. Perhaps I am just reporting that others have, but I think I am saying more. I am saying that a confusing form indicates a confused content, and that experts need to be careful about both. Remember, I come from the witness stand, where not only does my work have to be excellent, it has to be clear. Both skills seem to be lacking among people considered experts. Here is someone else bewildered by Thomas Friedman:

It takes a long, long apprenticeship laboring the Augean stables of Globollocks to write a sentence like this:

The walls had fallen down and the Windows had opened, making the world much flatter than it had ever been—but the age of seamless global communication had not yet dawned.

Amazing. Tom Friedman is a God. No, not a God so much as a moustachioed force of nature, pumped up on the steroids of globalization, a canary in the coalmine of an interconnected era whose tentacles are spreading over the face of a New Economy savannah where old lions are left standing at their waterholes, unaware that the young Turks—and Indians—have both hands on the wheel of fortune favors the brave face the music to their ears to the, uh, ground.<sup>15</sup>

So why do radio and television commentators, who drool over each new book, treat him like he is actually saying something intelligent—even important? Because Tom Friedman has established himself as a brand name. He is the living proof that branding does work. "New York Times columnist" is a good start. "Tom Friedman" is not a brilliantly conceived pseudonym, it is his name. Gone are the days when Myron Wallechinsky thought he needed to become Mike Wallace to succeed. He may have been correct, in his day, but we are well past that era. It is the caché attached to the name that counts. That is branding. Tom Friedman is a master of getting people to believe that what he says is important, even though what he says is hardly intelligible, strikingly unoriginal, often incorrect or inapt, and never actionable.

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15. Kieran Healy writing on the *Crooked Timber* blog, April 21, 2005.

## The Symbol of The Brand

Here is the conundrum. Branding is important because it makes the consumer's job easier. Whole Foods is a good name, but Kroger was not a bad one.



Each develops in the consumer an understanding of what he will find there. We chose to name The Oriole Mill because our address is Oriole Drive.<sup>16</sup> Other than that, it has only one advantage, the ability to shorten our logo to “O” with a bird in it. Nothing about that “O” shouts “quality fabric” at you, any more than the swoosh tells you about Nike’s products.

We have taken on the task of generating that association. Not being experts, we may well not succeed. But if there is expertise in branding, in getting people to believe that you are special, my job as the mill’s owner is to find it. We did not need third-party expertise to come up with either the name or its logo. Now we need expertise to give our name meaning, a more difficult job. I am not convinced such expertise exists.

Or, consider the argument I made about financial advice. I have no doubt that there are people who could generate better financial returns than I do, but can I find them, and would I be better off after paying them? Bethanne created our logo. It was not a trivial task, and she did a great job. One of my jobs as an “executive” is to determine where to put money, our capital. I cannot see that naming is such a place, whereas branding—giving meaning to that name—may well be.

I found expert representatives who sold fabrics to furniture companies. There was no way I could perform that task myself. Why would any furniture company’s fabric buyer listen to the owner of a startup mill? One told me, “Set up an exhibit at the show in High Point.” Would he come to such an exhibit? “We will be there, you can be sure,” which means nothing. I decided early on that such exhibit space was expensive, not cost-effective.

It is not that my representatives understand fabric. They see “natural fibers” as a marketing gimmick, whereas we see it as an issue of quality. What they understand is the textile industry, and that industry pays attention to them. Fabric quality hardly enters into it.

How we found our representatives is too long a story to tell, but it did come after interviewing many others, all brought to us by well meaning friends. Sales drives most companies, whereas design drives ours. Our representatives pick from

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16. “Call the company what everyone else does,” Verne Harnish, “5 Ways To Pick A Killer Name,” *Fortune*, October 1, 2016 at 28.

what we show them. They cannot direct our research and development. It takes special people to work outside normal boundaries, and yet I am convinced that “normal” boundaries are at least arbitrary if not foolish. Finding representatives who could make appointments with furniture companies, who have represented European mills for dozens of years, was a stroke of luck. They have the kind of expertise we need. They can get us into doors we could not open ourselves. We were smart enough to say no to the so-called experts who assured us that, if we just went along with them, we would end up wealthy. We may not be experts in convincing the world, but we are experts in knowing who we are, what we do.

If we lack the skill to seek out and find expert representatives, we did not lack the skill to appreciate them when we found them. Planning cannot always make that come true. What helps is the skepticism of this book, the concept that most people posing as experts cannot help you, and that many of the others can perform better than you can, but will cost too much to have been worth while. Somewhere in the middle is where a deal can be made from which everyone gains. Sometimes.

Although our fabrics will be on furniture in places you may shop, you will probably not know it.<sup>17</sup> Convincing retail stores that it is to their advantage to double brand is still somewhere down the road. And then there would be the deal—who decides how to double brand, and what portion of the branding cost each party bears? On one hand, the best situation would be to double brand with a retailer who already does that, because then we could slide into systems already in place. On the other hand, it might be best to be the first “brand name” in a retail store that otherwise calls everything its own. We are feeling our way, because although there may be real expertise in what we want to do, identifying who has it remains elusive. And so we deal with good people who have good values. We double-brand with Pavo Textiles, a seller of baby wraps. We make their “luxury” line, and they say so. It’s a start.

Which is a good place to end. Management is as much understanding what opportunities to take as it is making or even finding them in the first place. Apple did not invent the microchip. What it did was learn how to assemble such chips into functional products. Draper did not have to invent the rapier loom. Its error was not adopting that technology. No one can think of everything, or even think of the next best thing all the time. As much as I extol having a “vision” for a company, one cannot let that vision become too explicit, too detailed. That will blind one to

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17. Although Crate & Barrel at one time acknowledged The Oriole Mill as the maker of the fabric on its Jeremiah Rocker, that text has disappeared from its catalog. What was the basis of that decision?

opportunities that come along. One thinks of John Hammond, the music producer, who did not “discover” Leadbelly or Bob Dylan or Bruce Springsteen, but who appreciated them when he was exposed to them, and knew where to go from there. Perhaps what experts are most expert at is knowing when a good opportunity is available. When searching for an expert, what we need to know is how many so-called experts we are likely to reject before we find a real one.